

# The Columbus Dispatch

## Electric's future may include choice 1-A

### Lawmakers, industry see end to monopoly

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Dispatch Staff Reporters

Unhappy at paying high electric bills when a lower-priced utility is just 5 miles away, Paula F. Zeigler is looking forward to the day when she has a choice.

To reduce her \$96 monthly bill, Zeigler, 69, limits the laundry she washes, primarily because of the high cost of pumping water to the farmhouse she and her husband own near Attica, Ohio, in Seneca County.

Zeigler, a retired federal government worker, and her husband, Gerald F., 76, a retired carpenter and farmer, could lower their electric bills painlessly were they allowed to switch to Ohio

Power from Toledo Edison, whose residential rates are about 25 percent higher.

Ohio Power serves customers in Attica, but state law prohibits electric utilities from serving customers not in their territory, leaving the Zeiglers stuck with Toledo Edison and higher rates.

Mrs. Zeigler complained to the company and later wrote Gov. George V. Voinovich about the need for electric competition.

"I've been steamed about it," she said. "I really do think people should have the right to choose where they buy their electricity. That's called competitive bargaining."

"I pay the bill and \$15 or \$26 means a lot to us. I like to eat out. If you can save \$15 or \$20, that makes quite a difference."

Help may be on the way for the Zeiglers. State and federal lawmakers and regulators are tackling the complex chore of deregulating, or restructuring,

### Deregulation would shake up electric utilities / 1B

the electric industry — in essence, opening a longtime monopoly to competition.

The competition could resemble what's happened in telecommunications, an industry in which several companies now vie for long-distance customers and soon may battle for local phone business.

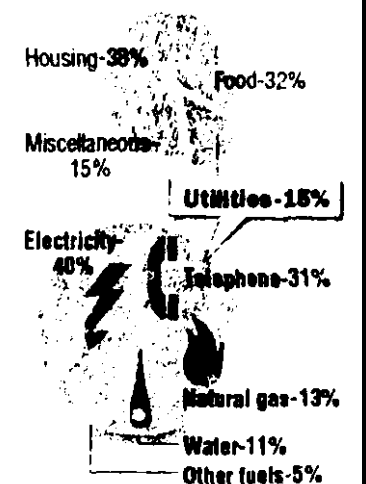
Electricity in the future might be available from different suppliers but would come through the same wires.

Columbus now has a limited choice because the city serves some residential customers and businesses, primarily Downtown, in competition with American Electric Power.

Under a two-year pilot program in New Hampshire, one of seven states that have deregulated their electric indus-

### Household spending

Utility expenses account for a significant piece of the average household budget, according to 1993 U.S. Census figures.



Source: U.S. Census Bureau, Error

Dispatch graphic

Please see UTILITIES Page 2A

tries, consumers have a choice among as many as 60 suppliers. Competitors are providing incentives — from bird feeders to spruce saplings.

During the past two sessions of the Ohio General Assembly, state Rep. Ron Amstutz, R-Wooster, sponsored legislation on electric competition. Meanwhile, the Public Utilities Commission of Ohio for months has been slowly opening the door to competition.

Amstutz introduced his first bill on the issue in 1993, prompted by an Akron case similar to the Zeiglers'. The eight-page proposal died without having a hearing. A similar bill had several hearings in the 121st General Assembly before dying.

Now Amstutz is prepared to reintroduce the measure, perhaps this week. But it will be in preliminary form and is unlikely to get much attention for several months because of more pressing issues.

"I believe competition is a good thing as long as it's in the right context," Amstutz said. "There's big stakes and lots of assets."

"I think we ought to get it done this session. It's such an important issue for our state's economic development that we ought to get it in place as soon as we can."

Electric deregulation is such a highly charged topic — and a high-stakes game — that partisan labels are being set aside as big-name players get involved — including Paul Mifsud, Gov. George V. Voinovich's former chief of staff, and Doug Preisse, one of Voinovich's former top staffers who ran Bob Dole's presidential campaign in Ohio.

The two represent the Ohio Alliance for Affordable Power, an association backed by Ohio Edison and Centerior Energy that is taking a cautious approach to competition.

On the other side is the Coalition for Choice in Electricity, a loosely knit group involving more aggressive utilities — American Electric Power and Cinergy Corp. of Cincinnati — backed by the Success Group, a Columbus-based lobbying and public-policy company.

Former Ohio Senate President Stanley J. Aronoff, a Cincinnati Republican, also is working with Cinergy, although he said he won't lobby the legislature.

In Washington, Congress is contemplating legislation to unplug the electric monopoly.

"Last Congress, we broke up one of the biggest monopolies still standing, giving consumers a choice in local telephone service," Republican Rep. Thomas J. Bliley Jr. of Virginia, chairman of the House Commerce Committee, said recently. "It's time we did the same thing with electricity."

Rep. Daniel Schaefer of Colorado, the Republican chairman of the panel's energy subcommittee, will soon

offer choice by 2001. The proposal would allow states to establish competition or, if they move too slowly, see the federal government do it for them.

"We in Congress can provide the vehicle, but we have to have consumer support for it," Schaefer said.

But what would competition in Ohio's \$11-billion-a-year electric industry mean, and how — if at all — would it benefit the consumers?

"I don't think it's 'if.' It's 'when,'" said Robert S. Tongren, the Ohio consumers' counsel. "This is going to happen."

The potential savings to consumers is conservatively estimated at 10 percent, Tongren said, though it could be much more. Tongren wants to be sure that overturning the utility monopoly doesn't benefit only big industrial consumers.

"It will only work if we do it right," he said. "It's going to be complex. It's going to be very difficult."

PUCO Chairman Craig A. Glazer, who is working with legislative leaders on electric restructuring proposals, said he hopes competition "will mean lower rates (and) more responsive and better service."

"The untested question is, how much customers want to be bothered with this," Glazer said.

The competition issue also interests environmentalists, including the

Maryland-based Center for Clean Air Policy, which has teamed with the Campaign for an Energy Efficient Ohio.

Environmentalists are concerned that electric companies will be less concerned about pollution and energy-saving programs in the rush to compete, said Catherine A. Morris, policy analyst with the clean-air group.

While state and federal lawmakers and regulators could approach competition in several ways, every plan calls for deregulating the generation of electricity.

The transmission of large amounts of high-voltage electricity would remain under the aegis of the Federal Energy Regulatory Commission, and the local distribution of power to homes, businesses and industry would remain under the PUCO.

As the monopoly is erased, homeowners probably would not bargain for electricity but could get the best rates by working through their utility, a separate "aggregator," a municipality or other groups, such as a neighborhood or a professional organization.

Ohio's major electric utilities all support competition to some degree, with Cinergy and Columbus-based AEP leading the charge, followed by Dayton Power & Light. Less enthusiastic are Ohio Edison and Centerior.

Utilities in northern Ohio fear they will be at a disadvantage in a competitive environment because their higher rates are based on heavy reliance on the costly

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